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TAGS: [AORC](#) [IAEA](#) [IR](#) [KNNP](#)
SUBJECT: IAEA/IRAN: DG'S REPORT: NO SUSPENSION, NO FURTHER
PROGRESS ON VERIFICATION

Summary

¶1. (SBU) The DG, as mandated by UNSCR 1696, reported that as of August 31 Iran has not suspended uranium enrichment activities, halted construction of the heavy water research reactor at Arak, cooperated with the IAEA to resolve the outstanding issues, voluntarily implemented the Additional Protocol, or provided the transparency required to confirm the peaceful nature of Iran's nuclear program. The report also notes that Iran has recently denied Agency requests to access some accounting records at the pilot enrichment plant, to grant one-year, multiple-entry visas, and to access the underground enrichment halls at Natanz, although Iran relented at the eleventh hour on the last two issues. As a result, "the Agency remains unable to make further progress in its efforts to verify the completeness and correctness of Iran's declarations with a view to confirming the peaceful nature of Iran's nuclear program."

¶2. (SBU) The report details a litany of unfulfilled Agency requests for access to individuals, documents, and facilities. There has been no progress on the LEU/HEU contamination and P1/P2 centrifuge issues. The Iranians have not allowed the Agency to retain a copy of the HEU metal casting document and confiscated inspectors' notes. Iranian "clarifications" have not resolved inconsistencies regarding their plutonium experiments. Iran began a new round of uranium conversion in June (expected to produce 160 tons of UF6), and resumed feeding UF6 into a 164-centrifuge cascade in late August. A second 164-machine cascade may be operational in September. The Agency has substantiated Iranian claims of achieving 5 percent enrichment, but the Iranians have not provided some information required to complete the analytic records. The Iranians have denied access to the former head of the PHRC at Lavizan and equipment from that site, and have refused to discuss Green Salt and weaponization issues noted in previous DG reports. End Summary.

Developments Since the June Report

-- Suspension of Enrichment Related Activities

¶3. (SBU) Iran has continued to test P1 centrifuges at the Natanz pilot facility, with operation of the single machines and 10- and 20-machine cascades mostly occurring under vacuum. Testing of the 164-centrifuge cascade with UF6 occurred between June 23-July 8. Feeding of UF6 into this cascade resumed August 24.

¶4. (SBU) June 2006 Iranian claims of 5 percent enrichment were substantiated by information from the mass spectrometer

that the Iranians provided; however, Iran (time unspecified) denied access to information regarding product and tails assays, which are required to complete the analytic records, but subsequently provided "some" information about product assays on August 30.

¶5. (SBU) Installation of a second 164-machine cascade is nearly complete and the Iranians plan to have it running under vacuum in September. The Agency has been allowed to install additional cameras to monitor this area, but the Iranians have refused Agency requests to install remote monitoring capabilities.

¶6. (SBU) The Iranians denied Agency access to the underground enrichment halls at Natanz from August 11-14, but granted access to this site between August 26-30 to conduct design information verification (DIV).

--Suspension of Reprocessing Activities

¶7. (SBU) The Agency has been monitoring the use of hot cells at the Tehran Research Reactor and other sites through inspections, DIV, and satellite imagery, but has not detected any ongoing reprocessing activities

--Heavy Water Research Reactor

¶8. (SBU) Construction of the heavy water reactor at Arak continues.

--Outstanding Issues

¶9. (SBU) Iran still has not provided a time table for resolving the litany of outstanding issues, despite its assurances in April to provide one "within three weeks."

--Contamination

¶10. (SBU) There has been no further progress on this issue, and the report notes that a full understanding of the scope and chronology of Iran's enrichment program, as well as full implementation of the Additional Protocol, is necessary for the Agency to provide credible assurances regarding the absence of undeclared nuclear materials and activities in Iran.

-- Acquisition of P1 and P2 Centrifuge Technology

¶11. (SBU) Iran has provided no new information on this issue. The Agency submitted a letter to the Iranians on April 24 seeking clarifications about senior Iranian leader's comments about P2 progress, and the Iranians responded on June 16 saying they were studying different types of machines and that this was "an ongoing and progressing R&D activity without using nuclear material."

-- The Uranium Metal Document

¶12. (SBU) The Agency is investigating information and documents that may have been provided to Iran by foreign intermediaries. The Iranians are still refusing to provide a copy to the Agency, and in August, they would not allow inspectors to retain notes they had made while reviewing the document.

-- Plutonium Experiments

¶13. (SBU) Since June, the Agency has evaluated explanations provided by Iran and examined the copy of the notebook kept by the researcher responsible for the experiments, and has concluded that they did not provide sufficient clarification of the outstanding issue. The Agency in July met with a reactor operator and the researcher, who also did not provide the data necessary to clarify the issues. The Agency sent an August 10 letter to Iran indicating that the outstanding issues could not be resolved unless Iran provided additional information. Iran has also been asked to provide information about the presence of HEU particles detected on a container

sampled in August 2005 at the Karaj Waste Storage Facility.

-- Other Implementation Issues

¶14. (SBU) The Agency has concluded that the Physical Inventory Verification of nuclear material at the uranium conversion facility (UCF), concluded in May, was within the measurement uncertainties normally associated with similar size conversion plants. It also notes that in April 2006, the Iranians removed a UF6 cylinder from the UF6 withdrawal station without prior notification to the Agency, which resulted "in a loss of continuity of knowledge of nuclear material in the process." However, "in light of the PIV, the Agency will continue to follow up on this question as a routine part of its verification" work.

¶15. (SBU) In June, Iran began a new round of conversion at the uranium conversion facility (UCF) that is expected to produce about 160 tons of UF6. This campaign had produced about 26 tons of UF6 and is expected to end January 2007. Iran in July informed the Agency of plans to build at the UCF a "standby" process line for converting ammonium uranyl carbonate into UO2.

--Other Matters

¶16. (SBU) During a July 2006 DIV at the Fuel Manufacturing Plant at Esfahan, Iran told inspectors that full commissioning of the plant is scheduled for 2007. Civil engineering is about 80 percent complete and equipment is being installed.

¶17. (SBU) From late July until August 29, the Iranians refused to issue one-year, multiple-entry visas to designated inspectors as agreed to by Iran in the Subsidiary Arrangements to its Safeguards Agreement; however, Iran on August 30 provided such visas for two inspectors, and on August 31 informed the Agency that "following the normal administration process the multiple- entry, one-year visa for remaining designated inspectors will be issued by September 10."

--Transparency Measures

¶18. (SBU) Iran has not responded to Agency requests for clarifications concerning, and access to carry out environmental sampling of, equipment and materials related to the Physics Research Center (PHRC). Iran has also not provided access to the former head of the PHRC.

¶19. (SBU) Iran "has not expressed any readiness" to discuss Green Salt, high explosives testing, and the redesign of a re-entry vehicle mentioned in previous reports.

-- Summary

¶20. (SBU) The summary notes specifically that Iran has not suspended enrichment activities or acted in accordance with the Additional Protocol. While Iran has been providing the Agency access to nuclear material and facilities, and has provided the required reports, Iran continues to deny access to "certain operating records" at the Natanz Pilot Plant. Iran also has not addressed the outstanding issues or provided the transparency required to remove "uncertainties associated with some of its activities." The report concludes by noting that the Agency remains unable to make further progress in its efforts to verify the correctness and completeness of Iran's declarations with a view to confirming the peaceful nature of its nuclear program.

¶21. (C) The report, in our judgment, could have been even harder hitting. It did not for example, explicitly state that Iran had failed to comply with UNSC or Board of Governor requests. Nor did it recite past statements that the IAEA could not certify the peaceful nature of Iran's nuclear actions, making this point only indirectly. That said, the report clearly demonstrates Iran's failure to suspend its activities at Natanz and Arak and to cooperate with the IAEA

across a series of issues, providing ample basis for further action in the Security Council.

¶22. (C) We suspect that the DG played a role in toning down the report, though he could not escape the facts of Iran's behavior. We also suspect that the DG is disappointed that Iran resumed introducing UF6 into the 164-centrifuge cascade on August 24. He undoubtedly hoped that the Iranians would be spinning the cascade on a vacuum, so he could argue this was some form of suspension.
SCHULTE